

*Payson*  
*Municipal Airport*

**Appendix A**  
**ECONOMIC BENEFIT STUDY**

### EXECUTIVE SUMMARY

This report presents the results of a study of the economic benefits of Payson Municipal Airport on the airport service area for 1997. The Payson Municipal Airport has a service area that includes northern Gila County, southern Coconino County, and eastern Yavapai County.

The methodology of the analysis follows procedures similar to those recommended by the Federal Aviation Administration, the Aircraft Owners and Pilots Association, and the American Association of Airport Executives. Multipliers from the Regional Input-Output Modeling System (RIMS II) for Arizona were obtained from the Bureau of Economic Analysis, U. S. Department of Commerce.

### AIRPORT BENEFITS

Airports benefit the regional economy through the revenues, earnings and employment associated with aviation activity both on and off the airport. Airports create jobs, produce income, and influence regional spending levels. There are three *measures* of economic benefits used in this study:

- **Gross Revenues**
- **Earnings**
- **Employment**

**Gross Revenues** measure the stream of dollars from airport-related economic activity and include sales of business firms, revenues of the airport authority, and spending by air travelers.

**Employment** is a measure of the number of jobs supported by the gross revenues within the service area, both on and off the airport.

**Earnings** represent the payments received by workers who create the goods and services that are sold to produce gross revenues.

There are four *types* of economic benefits associated with activity at Payson Municipal Airport.

**Direct Benefits** result from the production of goods and services on the airport and in the adjacent Sky Park. Producers of Direct Benefits at Payson Municipal Airport include private businesses and the Town of Payson.

**Indirect Benefits** result from off-site activity caused by the presence of the aviation facility. Indirect Benefits in the Payson Municipal Airport service area result when spending by air travelers creates revenues, jobs, and earnings in the tourism sector.

**Induced Benefits** are the multiplier effects of the Direct and Indirect Benefits that occur as the initial dollars injected into the economy are respent within the service area. Multiplier effects come into play when, for example, an aircraft mechanic's wages are spent to purchase food, housing, clothing, and medical services in the local community. These second round dollars induce more jobs and earnings in the economy of the region, creating a multiplier impact.

**Total Benefits** are the sum of the Direct, Indirect and Induced Benefits, and therefore encompass both the initial and secondary economic impacts of the airport on the service area on revenues, earnings, and employment.

The Total Benefits of Payson Municipal Airport as calculated for 1997 are illustrated in the figure below.

The airport was the source of total gross revenues of \$8.1 million. This is the measure of all spending flows associated with the presence of the airport and incorporates all multiplier effects of Induced Benefits. This spending and output supported 132 jobs within the service area of the airport, with total earnings to workers of \$2.0 million.

## **SUMMARY OF BENEFITS**

Direct, Indirect, and Induced Benefits created by Payson Municipal Airport are shown in Table 1A.

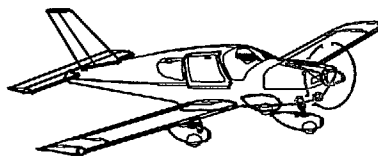
### **Direct Benefits: On-Airport Activity**

The on-site businesses located on Payson Municipal Airport, along with airport capital projects, created Direct Benefits of:

- **\$3.2 Million gross revenues**
- **\$907,311 Earnings**
- **49 On-Airport jobs**

## **Payson Municipal Airport Total Economic Benefits**

- **132 Total Jobs Supported**
- **\$2.0 Million Total Earnings**
- **\$8.1 Million Gross Revenues**



**TABLE 1A**  
**Total Economic Benefits: 1997**  
**Payson Municipal Airport**

	BENEFIT MEASURES		
	Gross Revenues	Earnings	Employees
<b>Direct Benefits:</b> <b>On-Airport Activity</b>  FBO Services Flight Instruction Charter Services Aircraft Maintenance Aircraft Storage Fuel Sales Sky Park Firms Capital Projects	\$3,199,176	\$907,311	49
<b>Indirect Benefits:</b> <b>GA Visitors</b>  Lodging Food/Drink Retail Goods/Services Entertainment Ground Transport	1,182,020	270,215	28
<b>Summation of</b> <b>Direct Benefits &amp;</b> <b>Indirect Benefits</b>	4,381,196	1,177,526	77
<b>Induced Benefits</b> <b>(Multiplier Effects)</b>	3,686,322	813,014	55
<b>TOTAL BENEFITS</b>	<b>\$8,067,518</b>	<b>\$1,990,540</b>	<b>132</b>

## **Indirect Benefits: General Aviation Visitors**

Visitors traveling for business or personal reasons, arriving in the region by general aviation aircraft, spent for lodging, food and drink, entertainment (such as golf and local attractions), retail goods and services, and ground transportation including auto rental and taxis.

These travelers created Indirect Benefits of:

- **\$1.2 Million Gross Revenues**
- **\$270,215 Earnings**
- **28 Jobs**

During 1997, there were 6,055 transient (visiting) general aviation aircraft and 14,984 air travelers that arrived at Payson Municipal Airport.

General aviation travel parties who stayed for a day or part of a day, but not overnight, spent \$44 per aircraft during that day.

Overnight visitors spent \$202 per travel party per day. The average economic value of an arriving aircraft whose travel party stayed overnight during 1997 was \$464 for the complete stay.

Combined Direct and Indirect Benefits at Payson Municipal Airport in 1997 summed to

- **\$4.4 Million gross revenues**
- **\$1.2 Million Earnings**
- **77 Jobs**

These measures represent the "first round" revenues, earnings, and jobs in the Payson Municipal Airport service area due to the presence of the airport. This economic activity would not have taken place without the airport, the goods and services produced there, and spending by air travelers.

## **Induced Benefits: Multiplier Effects**

After the initial aviation dollars were spent in the airport service area by suppliers or users of aviation services, they continued to circulate in the region, creating additional or "induced" output, jobs and earnings.

State multipliers for six aviation related sectors (transportation, lodging, retail, eating places, entertainment, and construction) for Arizona produced by the U. S. Department of Commerce were applied to estimate Induced Benefits.

The average multiplier for final demand (sales or gross revenue) was .8414 (rounded to four digits). Each initial dollar of Direct plus Indirect gross revenues induced average additional revenues of 84.14 cents. Induced gross revenues were

$$\text{\$4,381,196} \times .8414 = \text{\$3,686,322}$$

The average (rounded) earnings multiplier was .6904. Each dollar of Direct and Indirect earnings was spent again an average of .6904 times to create Induced earnings of

$$\text{\$1,177,526} \times .6904 = \text{\$813,014}$$

The average employment multiplier was .7413. Each job directly or indirectly due to the presence of the airport supported .7413 additional jobs and Induced employment of

$$77 \times .7413 = 55$$

The combined Direct, Indirect and Induced Benefits sum to Total Benefits, which can be seen in the bottom row of Table 1A.

## **ECONOMIC BENEFITS**

This section provides detail on the components of the benefits of Payson Municipal Airport, including the Direct Benefits of on-airport operations, the Indirect Benefits from visitor spending, and the Induced Benefits due to multiplier effects.

### **DIRECT BENEFITS: AIRPORT OPERATIONS**

Table 2A illustrates the Direct Benefits from the annual operation of Payson Municipal Airport. Data on revenues, employment and earnings were obtained from a mail survey and interviews conducted with airport and Sky Park tenants.

#### **Revenues**

On-airport economic activity created gross revenues of \$2,110,449 in 1997. There were 10 private employers on the airport during the 1997 study period. Services and products available from businesses on the airport included aircraft charter, aircraft cleaning and maintenance, parts and pilot supplies, flight instruction, fuel, food services, and light manufactured goods.

The operating revenues of the Town of Payson from the airport added an additional \$19,337 to gross revenue flows. The major sources of revenue to the Town of Payson included tie down fees and a 3 cent portion of fuel sales.

#### **Employment and Earnings**

Combined service and manufacturing sector employment on the airport was 37 workers, bringing home reported annual earnings of \$693,433.

### **Capital Improvement Projects**

Contractors also carried out various capital projects on the airport during the year. Funds for capital improvements are available to Arizona airports both from the FAA and from the Arizona Department of Transportation.

Projects completed or underway in 1997 include parking improvements, erosion control, fencing, campground construction, pavement maintenance, and equipment purchases. It is important to note that the Town of Payson is required to provide only less than 5% of the cost of these projects under current funding policies.

Since the annual amount of grants from the FAA and the state can vary greatly, the 1997 total should be seen only as an example. The funding from the FAA was \$350,000. Between 1988 and 1997, the Town of Payson received FAA grants exceeding \$2 million, an annual average of \$200,000. For this study, the combined state and FAA grant amount of \$1,069,390 was used to compute the economic impact. This amount may be greater or smaller in succeeding years.

Earnings and employment related to on-airport capital improvement projects during 1997 were estimated from the Census of Construction produced by the U. S. Department of Commerce. Earnings by construction workers at the airport were \$213,878. The employment equivalent, based on prevailing construction wages in the Gila County area, was 12 workers for the year.

### **Summary of Direct Benefits**

The sum of on-airport economic activity and construction projects at Payson Municipal Airport created Direct Benefits of \$3.2 million in revenues in 1997. These revenues supported employment of 49 workers on the airport, with earnings of \$907,311.

**TABLE 2A**  
**Direct Benefits from Airport Operations:**  
**Revenues, Earnings and Employees**  
**Payson Municipal Airport**

	BENEFIT MEASURES		
	Gross Revenues	Earnings	Employees
<b>On - Airport Businesses</b>  FBO Services Flight Instruction Charter Services Aircraft Maintenance Aircraft Storage Fuel Sales Manufacturing	\$2,110,449	\$693,433	37
<b>Town of Payson</b>	19,337		
<b>Capital Projects (External Sources Only)</b>	1,060,390	213,878	12
<b>DIRECT BENEFITS</b>	\$3,199,176	\$907,311	49

Source: Survey of airport employers, 1997.

## INDIRECT BENEFITS: GENERAL AVIATION VISITORS

Payson Municipal Airport attracts general aviation visitors from throughout the Western region and the nation who come to the area for business, tourism, and personal travel. Some visitors stop only briefly at the airport, some stay for most of a day, and some stay overnight.

Total transient arrivals (combined overnight and day visitors) were tabulated as 6,055 aircraft for 1997. Overnight visitors represented 36 percent and day visitors made up 64 percent of the total.

In order to survey general aviation travelers on their spending patterns, a random sample of visitors was developed from daily parking and fuel sales records maintained by Payson Municipal Airport. Tail numbers were randomly selected and addresses of owners were obtained from the FAA aircraft registration database. Of 450 aircraft owner surveys mailed, 22 were undeliverable and 165 were returned, a response rate of 39 percent.

Many respondents provided written comments on their survey forms, with predominately positive comments about the setting, staff, and service at Payson Municipal Airport. These comments are shown verbatim at the end of this report.

### Overnight Visitors

There were an estimated 20,184 itinerant operations at Payson Municipal Airport in 1997. According to airport records, the number of general aviation travel parties that used overnight tiedowns was calculated as 2,180.

(An additional 3,875 travel parties arrived by general aviation aircraft and stayed for part of one day, but not overnight.)

**TABLE 3A**  
**General Aviation Overnight Visitors**  
**Payson Municipal Airport**

Item	Annual Value
Itinerant Operations	20,184
Overnight Aircraft	2,180
Avg. Party Size	2.6
Number of GA Visitors	5,668
Average Stay (Nights)	2.5
Visitor Days	14,170
Spending per Day	\$71.38
Total Expenditures	\$1,011,520
Source: GA visitor survey, 1997	

Overnight general aviation travel parties averaged 2.6 persons who stayed 2.5 days in the Payson area (Table 3A). The most frequently mentioned destination (74%) was the Town of Payson, with 10 percent of travel parties mentioning either Pine or Strawberry and an additional 10 percent stating their destination as the airport campground.

In total, there were an estimated 5,668 overnight visitors to the service area during the year. Multiplying 5,668 visitors times the average stay of 2.5 days yields 14,170 visitor days by persons staying overnight in the Payson area.

The weighted average daily spending per person by visitors who stayed overnight was \$71.38. Total expenditures by overnight visitors is found by multiplying visitor days by spending to obtain \$1,011,520. (Some results reported in this section may not compute exactly due to rounding).



**TABLE 4A**  
**Overnight GA Visitor Spending By Purpose of Travel**  
**Payson Municipal Airport**

	Purpose of Travel			
	Business	Personal	Tourism	Campground
Percent of Visitor Days	17%	34%	44%	5%
Length of Stay (Nights)	3.2	2.5	2.3	1.3
Average Party Size	1.7	2.8	2.8	2.0
Spending Per Person Per Day	\$119	\$37	\$97	\$39
Lodging	56	0	36	0
Food/Drink	29	19	19	20
Retail	18	11	23	8
Entertainment	4	6	6	6
Ground Transport	12	1	13	5
<b>TOTAL SPENDING</b>	<b>\$269,502</b>	<b>\$164,840</b>	<b>\$554,684</b>	<b>\$22,494</b>

**Note:** Some columns may not compute exactly due to rounding. Spending by category is an average for all travelers and includes those who had no outlays in some categories.

**Source:** Based on GA visitor survey, 1997.

There were four different types of overnight travelers identified from the survey responses. The largest category was "tourist," accounting for 44 percent of visitor days. These travelers stated "tourism" as their purpose for coming to the Payson area, and did not own property or stay with friends or family.

The next largest category of overnight traveler was "personal" travel, making up 34 percent of visitor days. These persons stated they came to the area for personal reasons and they stayed with friends or family. Business travelers made up 17 percent of visitor days, and those coming to the airport campground accounted for 5 percent of visitor days.

As shown in Table 4A, overnight general aviation visitors have differing characteristics relating to length of stay and expenditures, depending upon the purpose of travel. Those traveling for business purposes tend to have longer stays (3.2 nights) but party sizes are smaller. Business traveler party size was 1.7 persons, while those traveling for personal reasons or tourism had party size of 2.8 persons. Campground visitors reported the shortest stay, at 1.3 nights.

The typical business travel party spent \$119 per person while in the Payson area. The greatest single expenditure category for business travelers was lodging, at \$56 per person per day, or 47 percent of daily travel costs.

Tourists spent \$97 per person per day during their visits. Average per person lodging outlays per day were \$36. Tourists spent more per person per day for retail (\$23) and ground transport (\$13) than did other travelers.

Daily spending for food for those not traveling on business was very similar (\$19 to \$20 per person), as was daily entertainment spending (\$6).

Total expenditures was greatest for those traveling as tourists (\$554,684). The second most important source of visitor revenue is the business traveler, with \$269,502 spent during 1997.

The economic value of the typical overnight GA aircraft arriving at Payson Municipal Airport in 1997 was \$464 (Table 5A). This figure is the weighted average of all four categories of travel parties. The value of business aircraft is highest, at \$649, and the campground visiting aircraft had the lowest economic value.

Each arriving general aviation overnight aircraft represents average lodging expenditures of \$146, food outlays of \$126, retail spending of \$106, entertainment of \$36, and spending for ground transportation of \$50.

**TABLE 5A**  
**Value Of One Arriving Overnight GA Aircraft**  
**Payson Municipal Airport**

	Business	Personal	Tourism	Campground	Overall
<b>Spending Per Party Per Trip (Value of 1 Arriving Aircraft)</b>	<b>\$649</b>	<b>\$259</b>	<b>\$624</b>	<b>\$101</b>	<b>\$464</b>
<b>Lodging</b>	<b>309</b>	<b>0</b>	<b>230</b>	<b>0</b>	<b>146</b>
<b>Food/Drink</b>	<b>159</b>	<b>135</b>	<b>124</b>	<b>52</b>	<b>126</b>
<b>Retail</b>	<b>95</b>	<b>75</b>	<b>147</b>	<b>20</b>	<b>106</b>
<b>Entertainment</b>	<b>20</b>	<b>45</b>	<b>39</b>	<b>15</b>	<b>36</b>
<b>Ground Transport</b>	<b>66</b>	<b>4</b>	<b>84</b>	<b>14</b>	<b>50</b>

**Note:** Some columns may not compute exactly due to rounding. "Overall" column is weighted average of expenditures for each category, where weights are "percent visitor days" from Table 4A.

## Day Visitors

About two thirds (64%) of itinerant general aviation visitors to Payson Municipal Airport stayed in the service area for one day or less. In 1997, it was calculated that there were 3,875 aircraft that stopped at the airport for one day.

Survey results showed two categories of one day visitors arriving at Payson Municipal Airport. Three out of four travelers (73%) do not leave the airport during their visit. These visitors typically spent for food and beverages at the restaurant, and in some cases also purchased pilot supplies or

other goods. Since they did not leave the airport, these travelers had no outlays for ground transportation or off-airport entertainment. The per person spending by these travel parties was \$9 (Table 6A).

The average party size for airport-only visitors was 2.3 persons. Multiplying 2,846 arriving aircraft by 2.3 yields 6,546 visitor days for airport-only visitors in 1997. Multiplying 6,546 visitor days by \$9.29 per person spending gives an estimate of 1997 spending by visitors that stayed at the airport of \$60,832.

**TABLE 6A**  
**One Day GA Visitor Spending By Purpose of Travel**  
**Payson Municipal Airport**

	Purpose of Travel	
	Visit Airport Only	Visit Payson Area
Percent of Travel Parties	73%	27%
Number of Travel Parties	2,846	1,029
Average Party Size	2.3	2.4
Number of Visitor Days	6,546	2,470
Spending Per Person Per Day	\$9.29	\$44.40
Food/Drink	8.04	15.49
Retail	1.25	14.46
Entertainment	0	9.29
Ground Transport	0	55.16
<b>TOTAL SPENDING</b>	<b>\$60,832</b>	<b>\$109,668</b>

Note: Some columns may not compute exactly due to rounding. Spending by category is an average for all travelers and includes those who had no outlays in some categories.

Source: Based on GA visitor survey, 1997.

There were 1,029 travel parties that visited the Payson area for one day, parking their aircraft and leaving the airport. These travelers accounted for 2,470 visitor days in 1997. Average expenditures per person for this category was \$44.40, nearly five times greater than for those who did not leave the airport.

Total expenditures for one day off-airport visitors were \$109,668 during the year, some 80 percent greater than for those visitors who did not leave the airport.

The economic value of the typical general aviation day visitor aircraft arriving at Payson Municipal Airport in 1997 was \$44 (Table 7A). This result is obtained by computing the weighted average of travel parties that did not leave the airport and those that left the airport and made outlays in the greater Payson area.

Each arriving general aviation day aircraft represents food outlays of \$24, retail spending of \$11, entertainment of \$6, and transportation expenses of \$3. With approximately 10 general aviation day visitors arriving each day of the year, the average daily impact from these travelers is nearly \$500. General aviation day visitors spent \$170,500 in the Payson Municipal Airport service area during calendar year 1997.

Table 7A shows that aircraft travel parties who leave the airport and visit the Payson area have an impact per aircraft significantly greater than those who stay on the airport. This suggests that marketing information to encourage visitors to leave the airport and visit the region could potentially increase the economic benefit from those travelers who visit the area only for one day and do not stay overnight.

**TABLE 7A**  
**Value Of One Arriving Day Visitor GA Aircraft**  
**Payson Municipal Airport**

	Visit Airport Only	Visit Payson Area	Overall
<b>Spending Per Party Per Trip (Value of 1 Arriving Aircraft)</b>	<b>\$21.37</b>	<b>\$106.56</b>	<b>\$44</b>
Food/Drink	18.49	37.18	24
Retail	2.88	34.70	11
Entertainment	0	22.30	6
Ground Transport	0	12.38	3

**Note:** Some columns may not compute exactly due to rounding. "Overall" column is weighted average of business and personal expenditures for each category, where weights are "percent travel parties" from Table 7A.

## COMBINED AIR VISITOR BENEFITS

Table 8A shows the economic benefits resulting from spending in the region by combined overnight and day general aviation visitors arriving at Payson Municipal Airport in 1997.

There were 2,180 arriving overnight general aviation aircraft and 3,875 one day aircraft in 1997. Each overnight travel party spent an average of \$464 during their trip to the Payson area and travel parties on each day visitor aircraft spent \$44 per trip.

Multiplying the expenditures for each category of spending by the number of aircraft yields the total outlays for lodging, food and drink, transportation, entertainment, and retail spending due to GA visitors during the year.

Gross revenues from air visitor spending on goods and services during 1997 summed to \$1,182,020. This figure is important in computing economic benefits since total spending supports jobs in the local economy. Moreover, sales and other taxes generated by visitors are based on total revenues.

The largest spending category was food and drink, accounting for \$367,680 of revenues to service area firms, accounting for nearly one third of the total visitor spending. Each arriving overnight aircraft brings food and drink sales of \$126 to the area, and each day visitor aircraft travel party injects \$24 into local eating and drinking places. Lodging is the second most important category of total spending for GA visitors, at \$318,280.

**TABLE 8A**  
**Indirect Benefits From Air Visitors**  
**Expenditures By General Aviation Visitors: 1997**  
**Payson Municipal Airport**

Category	Number of Aircraft		Expenditures per Trip		Gross Revenues
	Overnight	Day	Overnight	Day	
Lodging	2,180		\$146		\$318,280
Food/Drink	2,180	3,875	126	\$24	367,680
Retail Sales	2,180	3,875	106	11	273,705
Entertainment	2,180	3,875	36	6	101,730
Ground Transport	2,180	3,875	50	3	120,625
TOTAL			\$464	\$44	\$1,182,020

Note: Some columns may not compute exactly due to rounding and weighting.

Source: Derived from GA visitor survey, 1997.

**TABLE 9A**  
**Indirect Benefits From Air Visitors**  
**Revenues, Earnings and Employment**  
**Payson Municipal Airport**

	Gross Revenues	Earnings	Average Salary	Employment
Lodging	\$318,280	89,118	\$9,413	9
Food/Drink	367,680	91,920	7,897	12
Retail Sales	273,705	32,845	12,617	3
Entertainment	101,730	26,450	22,806	1
Ground Transport	120,625	30,156	10,228	3
<b>TOTAL</b>	<b>\$1,182,020</b>	<b>270,489</b>		<b>28</b>

Note: Some columns may not compute exactly due to rounding. Earnings column derived from "percent to labor" data reported in *Census of Retail Trade* and *Census of Service Industries*, U. S. Department of Commerce. Percentages are lodging 28%; food service 25%; retail 12%; entertainment 26%; ground transport 25%. Salaries are from *County Business Patterns*, U. S. Census Bureau, 1995, converted to 1997 wage rates. Employment is not necessarily full time equivalents; includes full and some part time workers, figures rounded to head counts.

Table 9A presents the Indirect Benefits of general aviation visitor spending on employment and earnings in the Payson Municipal Airport service area.

Of the gross revenues of \$1,182,020 created by aviation visitors, \$270,489 (an average of 23 cents of each dollar) stayed in the local economy as earnings to employees whose jobs were supported by this spending.

Based on average salaries as shown in Table 9A for each category of spending, an estimated 28 jobs in the Payson Municipal Airport service area were related to air visitor spending. Food and beverage spending by air travelers supported the greatest number of employees(12) with annual

earnings of \$91,920 for 1997. But this sector also had the lowest salary, \$7,897.

Eating and drinking places, combined with retail establishments, accounted for two out of every three salary dollars earned by workers serving the aviation traveler

The highest salary paid was in entertainment, at \$22,806. Total entertainment spending was just over \$100,000. There was considerable variation in the entertainment outlays reported by visitors to the Payson area. In a few instances, the amount spent by a travel party was several hundred dollars. It is likely that these larger outlays were due to visiting the nearby casino.

## BASED AIRCRAFT BENEFITS

Payson Municipal Airport is designed to serve the general aviation community. The airport had 54 based aircraft in mid-1997 when a survey of owners of based aircraft was conducted to compile information on number and value of aircraft, annual expenditures and usage patterns, purpose of travel, average party size, and average distance flown per trip. Twenty four useable surveys were returned, which is a response rate of 44 percent.

<b>TABLE 10A</b> <b>Based Aircraft Profile</b> <b>Payson Municipal Airport</b>	
Item	Value
Number of Aircraft	54
Total Market Value	\$2,628,666
Average Value	\$48,679
Total Annual Outlays	\$277,128
Average Annual Outlays	\$5,132
Source: Based aircraft owner survey, 1997	

The average market value for the 54 aircraft based at Payson Municipal Airport was \$48,679. The total value of all aircraft based at the airport was \$2.6 million (Table 10A).

The combined distance logged on Payson Municipal Airport based general aviation aircraft for personal and business travel summed to over one million miles in 1997. The passenger miles, after accounting for party size, totaled 2.2 million.

An approximation of the dollar value of travel on based aircraft may be made by comparison with financial reports of scheduled air carriers, who report typical revenues per passenger mile in the range of 10 cents. Applying this value to passenger miles traveled on aircraft based at Payson Municipal Airport, the "airline equivalent" value of travel is \$222,275.

This figure is an estimate, which does not include a measure of the economics gains such as those from business trips, which may have been substantial. Personal trips, such as those for medical reasons, often have high economic value as well. Further, the time saved by general aviation travel compared to automobile use or flying scheduled airlines is not calculated here, but certainly has economic significance.

It is important for citizens and policy makers to be aware that airports create significant *unmeasured* social and economic benefits for the regions which they serve. For example, convenient air transportation allows freedom for individuals to travel to satisfy their preferences for goods, services, and personal needs. Airports make the regional economy more competitive by providing businesses ready access to markets, materials and international commerce.

Airports also bring essential services to a community, including enhanced medical care (such as air ambulance service), support for law enforcement and fire control, and courier delivery of mail and freight. These services raise the quality of life for residents and maintain a competitive environment for economic development.

Studies of factors influencing economic development consistently show that modern aviation facilities have an impact on the pace and quality of economic growth. In addition to exerting a positive influence on economic development in general, aviation often reduces costs and increases efficiency in individual firms.

Companies that operate general aviation aircraft typically record net income as a percent of sales approximately 50 percent greater than companies not utilizing such aircraft.

While personal use dominates total miles traveled and total passenger miles flown by general aviation aircraft based at Payson Municipal Airport, many aircraft owners (42%) used their aircraft for business purposes during the year. Among those who reported business use, the frequency ranged from ten flights per year to 300 business trips per year.

The presence of the airport as a factor affecting the personal quality of life and business success of aircraft owners was measured by survey questions asking respondents to rate the airport as "very important, important, slightly important, or not important" to their residential location decision and their business.

The survey results show that Payson Municipal Airport is a significant factor in determining where aircraft owners live. Survey respondents derived benefits from having the airport nearby their residences and their places of employment.

More than four out of five aircraft owners (86 percent) said that Payson Municipal Airport is "important" or "very important" to their residential location. An additional 77 percent stated that the airport is important or very important to their business or place of employment.

Those who reported the airport as important to their business were also asked for information about their business, in order to provide some measure of the overall benefit of the airport to the business flyer. Firms represented by users of Payson based aircraft for business purposes accounted for 76 employees in the service area, and the businesses of the combined respondents accounted for more than \$8.6 million of annual sales.

A significant portion of the revenue created on the airport can be attributed to outlays by the owners of the 54 general aviation based aircraft for storage, maintenance, and operation of their aircraft throughout the year.

Owners reported expenditures averaging \$5,132 per year on repairs, maintenance and operations. Using these values, the total spending created in the region due to outlays by aircraft owners can be estimated as \$277,128 in 1997. (Note that annual expenses for individual aircraft can vary greatly, depending on the size, technical specifications, and hours flown.)

**TABLE 11A**  
**Based Aircraft - Use Patterns**  
**Payson Municipal Airport**

Type	Annual Trips
Avg. Number of Trips	65
Avg. Business Trips	25
Avg. Personal Trips	40
Percent Business Trips	38 %
Percent Personal Trips	62 %
Source: Based aircraft owner survey, 1997	

Payson based general aviation aircraft owners reported an average of 65 non-training trips per year, which is an average of 5.4 trips per month.

Sixty-two percent of general aviation trips (40 trips per year) were for personal travel and 38 percent of trips (25 per year) were for business purposes (Table 11A).

The typical round trip for pleasure, recreation or other personal reasons was 344 miles, with 2.2 persons in the travel party (Table 12A). There were an estimated 2,160 trips for personal reasons during the year.



**TABLE 12A**  
**Based Aircraft - Personal Use**  
**Payson Municipal Airport**

Item	Annual Value
Avg. Personal Trips	40
Total Personal Trips	2,160
Avg. Party Size	2.2
Avg. Round Trip Miles	344
Total Personal Miles	743,040
Total Passenger Miles	1,643,688
Source: Based aircraft owner survey, 1997	

With an average travel party of 2.2 persons, total non-business passenger miles flown during the year summed to 1.6 million.

The typical business use for a general aviation aircraft was 198 miles round trip with 2.2 persons in the travel party (Table 13A). There were an estimated 1,350 business trips, covering 267,300 miles of travel and 588,060 passenger miles.

**TABLE 13A**  
**Based Aircraft - Business Use**  
**Payson Municipal Airport**

Item	Annual Value
Avg. Business Trips	25
Total Business Trips	1,350
Avg. Party Size	2.2
Avg. Round Trip Miles	198
Total Business Miles	267,300
Total Passenger Miles	588,060
Source: Based aircraft owner survey, 1997	

## SUMMARY AND FUTURE IMPACTS

Airports are available to serve the flying public every day of the year. On a typical day at Payson Municipal Airport, there are more than 50 operations by general aviation aircraft in use for business, recreation, and training flights.

During each day of the year in 1997, Payson Municipal Airport generated \$22,103 gross revenues within its service area (see figure). Revenues and production support jobs, not only for the suppliers and users of aviation services, but throughout the economy. Each day Payson Municipal Airport provides 49 jobs directly on the airport and in total supports 132 local jobs in the airport service area. These workers brought home daily earnings of \$5,453 for responding in the community in 1997.

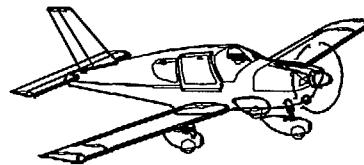
On an average day during the year, there were 64 visitors in the area who had arrived at Payson Municipal Airport. The average expenditures for these visitors on a given day during 1997 was \$3,238.

Table 14A shows a summary of economic benefits associated with Payson Municipal Airport in 1997. As aviation activity increases in the Payson area, the economic benefits of the airport may be expected to increase.

The short term planning horizon for the airport is associated with an increase in operations of 38.7%, to an annual level of 31,200. Assuming commerce on the airport and in the community increases at the same pace, employment on the airport will rise to 51 workers and jobs related to air visitors will increase to 39 (Table 15A). The annual average outlay for capital projects during the short term, based on the financial plan for the

# **Payson Municipal Airport Daily Economic Benefits**

- **\$22,103 Gross Revenues**
- **132 Local Jobs Supported**
- **\$5,453 Payroll Earned**
- **64 GA Visitors**
- **\$3,238 Visitor Spending**



airport, is one million dollars, which creates the equivalent of 12 construction jobs for the year. In the short term visitor spending will rise to \$1.6 million (measured in 1997 dollars). The annual Direct and Indirect benefits (before multiplier effects) due to the presence of the airport will increase to \$5.7 million. Including all multiplier effects, the annual Total Benefits of the airport will rise to \$10.4 million in the short term, associated with 31,200 operations per year.

The intermediate term planning horizon is based on a further 20% increase in operations, to 37,300 (Table 16A). On-airport employment will rise to 62 workers along with 5 construction jobs. The employment impact after all multiplier effects is 195 total jobs. Annual gross revenues will rise to \$11 million in the intermediate term.

The projected benefits in the long term, defined as 50,000 operations, are shown in Table 17A. At this scope of activity, the airport has a potential annual economic benefit of \$14.2 million in gross revenues, after accounting for all multiplier effects.

Long term on-airport employment is projected to reach \$4.7 million in 1997 dollars, with 83 jobs and an additional 4 construction workers. Air visitors will spend \$2.6 million in the regional economy of the Payson area. Combined direct and indirect annual benefits, before multiplier effects, will include \$7.7 million of revenues, payroll of \$2.1 million, and 149 jobs.

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**TABLE 14A**  
**Summary of Economic Benefits: 1997**  
**Payson Municipal Airport**

	Gross Revenues	Earnings	Employment
Airport Operations	\$2,129,786	\$693,433	37
Capital Projects	1,069,390	213,878	12
Air Visitors	1,118,020	907,311	28
<i>Subtotal</i>	<i>4,381,196</i>	<i>270,215</i>	<i>77</i>
Induced Benefits	3,686,322	1,177,526	55
Total Benefits	\$8,067,518	\$1,990,540	132

Note: Revenues, earnings and employment reflect activity and spending associated with 22,490 operations as estimated for 1997.

**TABLE 15A**  
**Projections of Future Annual Economic Benefits (\$1997): Short Term**  
**Payson Municipal Airport**

	Gross Revenues	Earnings	Employment
Airport Operations	\$2,954,013	\$961,792	51
Capital Projects	1,073,978	214,796	12
Air Visitors	1,639,462	303,452	39
<i>Subtotal</i>	<i>5,667,453</i>	<i>1,480,040</i>	<i>102</i>
Induced Benefits	4,768,574	1,021,882	73
Total Benefits	\$10,436,027	\$2,501,922	175

Note: Annual revenues, earnings and employment for Short Term are based on activity and spending associated with 31,200 annual operations.

**TABLE 16A****Projections of Future Annual Economic Benefits (\$1997): Intermediate Term  
Payson Municipal Airport**

	Gross Revenues	Earnings	Employment
Airport Operations	\$3,544,816	\$1,154,150	62
Capital Projects	472,900	94,580	5
Air Visitors	1,967,354	364,142	47
<i>Subtotal</i>	<i>5,985,070</i>	<i>1,612,872</i>	<i>114</i>
Induced Benefits	5,035,816	1,113,595	81
Total Benefits	\$11,020,886	\$2,726,467	195

Note: Annual revenues, earnings and employment for Intermediate Term are based on activity and spending associated with 37,300 annual operations.

**TABLE 17A****Projections of Future Annual Economic Benefits (\$1997): Long Term  
Payson Municipal Airport**

	Gross Revenues	Earnings	Employment
Airport Operations	\$4,750,053	\$1,546,561	83
Capital Projects	345,000	69,000	4
Air Visitors	2,636,254	487,951	62
<i>Subtotal</i>	<i>7,731,307</i>	<i>2,103,511</i>	<i>149</i>
Induced Benefits	6,505,094	1,452,353	106
Total Benefits	\$14,236,401	\$3,555,864	255

Note: Annual revenues, earnings and employment for Long Term are based on activity and spending associated with 50,000 annual operations.

***VERBATIM COMMENTS***

**By**

**General Aviation Visitors**

**Payson Municipal Airport**

Your airport is user friendly, courteous, FBO. Always like flying into your airport  
The FBO Services were great. Very nice airport and facility!

We think the airport and restaurant are just great and we will continue to fly up there for fuel and food, etc.

Payson airport personnel are the friendliest people I have ever met. They are very helpful. The restaurant serves very good food and the service is unusual in that they treat you like they've known you for years. The gas prices are very competitive compared to our home airport in California. I think the fly-in campgrounds is an excellent idea and Payson is the perfect place for camping. I camped and fished for trout by Knoll's Ranch back in the 50's. The summer months are ideal for such adventure. I think it's a hit. The availability of a mechanic or avionics technician is exceptional, with competitive prices. My wife and I always enjoy flying to Payson.

A well maintained, friendly airport. One to be proud of.

It is obvious the city cares about the airport (unlike Sedona).

I have rented a car in the past, but you only asked about my last visit. We love Payson!

We visit the Payson area every month of every year--we stop for fuel, lunch, breakfast or to play golf or visit friends. Payson Airport is great!!!

The folks who run the airport FBO do a great job. They're a big asset to your community.

We love to fly into Payson--meet friends for breakfast--have an annual fly-in for our AZ Short Wing Piper Club.

If there was a courtesy car or cheap wheels into town, we would spend more time and money. That hill is just too steep for us and our bikes or our legs. Also--you guys need to think about a tower soon--it's getting pretty busy around the pattern.

Thanks.

Lovely upgrade since my last visit. I used to avoid this stop in my travels. Now I make it a destination. Thank you!

I often come in on the weekend and eat at the airport restaurant. We would consider recreational activities in the area if a shuttle service was provided to the downtown area or to a local golf course.

We loved your camping area.

I love the Payson Airport. The food is great! The folks are wonderful.

Good place to fuel aircraft--high altitude airport, good cafe, good fuel service.

Nice, friendly airport!

Very friendly--though mechanic wouldn't talk to us because it was his lunchtime, so we did repairs in Phoenix. Still--everyone else was wonderful and friendly--will come back and camp!!

Stayed at airport campground. Had some friends come up and meet us there.  
We will be spending more time as soon as it cools down a bit, then get in to town more.  
The campground is a great facility.

Payson airport is by far one of the nicest airports I have been (I fly a tremendous amount for business and pleasure). The service that impressed me the most was the unicom. Not only were they very polite, but always gave you airport and traffic advisories at your initial call (most unicom don't!!). As a pilot, I feel this advisories have become a very important part of safety in Payson due to Payson becoming a very popular airport and very busy, specially on weekends. Since the management, I have seen this service of advisories become little to none. I hope this will change. It separates a good, safe and "classy" operated airport from just a "plain old" airport. Please, operate it safely!

We stayed at campground on airport. Excellent! Congratulations for building it!

We love the Payson area and have made several overnight stops looking for a house--If we could be assured of a hangar at the airport we'd move to Payson in a minute! Looked at lots of new airport development seriously but feel they are overpriced. Would prefer to have a house separate from airport, but must have a hangar--Our most recent trip was in July--Before that we spent 2 nights there in June and have reservations for 2 nights in October--Primary suggestions: Build more hangars!

Very nice airport--friendly and prompt service. Nice restaurant.

Slight concern over possibility of elk being on runway.

Payson needs a less used unicom frequency. 122.8 is too busy because of nearby airports.

Nice airport--good service--good restaurant--public phone handy. Could use taxi or rental car service.

I was born in Phoenix (1929) and spent my youth ('32 to '40) in Payson/Mogollon Rim area. I love the area! It's a great airport and town.

Airport is fantastic! Great people and service and fine restaurant!!

I think it is wonderful that we finally got a "back country" airport somewhere. But who got the asphalt contract? The mayor's brother?? There's too damn much of it!! Why a car parking lot in the middle of the campground for airplanes only? Who got all that firewood? Far too many trees were sacrificed, spoiling any chance for anything resembling a "wilderness experience"! Then, the brilliant planners put the thing right next to a busy road anyway, so what difference does it make? Whoever planned this was interested in only one thing...SPENDING MONEY!!!...and way too much of it! It's too bad--it could have been so nice if it had been tucked away into the trees with minimal disruption of the natural environment. With monument to foolish spending we might as well camp in the Safeway parking lot. Too bad you didn't go visit Johnson Creek, Idaho, first to see how to do it right. Signed: Disappointed Airplane Camper.



Thanks for the great airport campsite.

Great airport.

Great camping facilities.

Great services.

Great restaurant.

You have a really friendly airport, a real pleasure to stop.

Payson is a great airport. Enjoy Payson area, and all the nice people that operate the airport.

Airport is nicely run and clean. New pilot campground is very nice (we used on a previous trip), and I've been recommending people try out.

Provide an indoor desk/pilot planning area near the campground facilities--there is phone service (pay phone) and a snack/counter there, but not convenient for flight planning, etc.

Plan some method, i.e. intercom, etc., to hail a shuttle ride (i.e. golf cart or other vehicle) to come and pick up if needing a ride up to the restaurant or to meet passengers, etc.

The camping facilities are a neat idea, especially if ground transportation was adequate to get fliers to restaurants, shopping and area attractions.

You have a really nice area there on the west side of the field to locate the campsite.

Our son and family live in Payson and we live in MO, so in all reality we wouldn't have any occasion to camp there. Thanks for your hospitality.

The airport is now one of my favorites! Everyone is very friendly and helpful. I look forward to returning soon!

# **APPENDIX**

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## **Payson Municipal Airport**

### **ECONOMIC BENEFIT STUDY**

#### **SURVEY FORMS**

# PAYSON ARIZONA

## PAYSON MUNICIPAL AIRPORT GA VISITOR SURVEY

### Dear Aircraft Owner:

Your aircraft appears on our listing of visitors to Payson Municipal Airport during the past year. We are asking your assistance in completion of this **confidential** questionnaire to measure the economic benefits from spending by GA visitors. The information will help us improve services for General Aviation travelers. If you have questions about the survey, please call Richard Underkofler, Town Manager, Payson Town Hall, at (520) 474 - 5242. **Please return the survey form in the enclosed envelope within ten days.**

1. What was the main **purpose** of your most recent visit to the Payson area?

Fuel stop only \_\_\_\_\_ Business trip \_\_\_\_\_ Tourism/sightseeing \_\_\_\_\_ Personal/family visit \_\_\_\_\_

2. How many **people** were in your travel party? Circle : 1 2 3 4 or more (specify) \_\_\_\_\_

3. Where was your **primary destination** while in the area? Did not leave airport \_\_\_\_\_

Payson \_\_\_\_\_ Pine \_\_\_\_\_ Strawberry \_\_\_\_\_ Other (specify) \_\_\_\_\_

4. Did you stay at a home or property you own in the area? Yes \_\_\_\_\_ No \_\_\_\_\_

5. How many **nights** did you stay in the Payson area?

Circle: None (day trip) 1 2 3 4 or more (specify) \_\_\_\_\_

6. Please estimate **spending by your ENTIRE TRAVEL PARTY** on your visit to the Payson area. Do not include expenditures for aircraft fuel or FBO services. Please circle the closest figure.

#### Hotel/Lodging:

None \$50 75 100 125 150 200 300 400 500 600 700 800 or more (specify) \_\_\_\_\_

#### Restaurant Food and Drink:

None \$10 25 50 75 100 125 150 175 200 300 400 500 600 or more (specify) \_\_\_\_\_

#### Retail Spending for Goods and Services (include groceries but not entertainment)

None \$10 25 50 75 100 125 150 175 200 300 400 500 600 or more (specify) \_\_\_\_\_

#### Entertainment (Golf, Movies, etc.):

None \$10 25 50 75 100 125 150 175 200 300 400 500 600 or more (specify) \_\_\_\_\_

#### Ground Transportation Including Auto Rental:

None \$10 25 50 75 100 125 150 175 200 300 400 500 600 or more (specify) \_\_\_\_\_

*Please Use Other Side For Comments or Suggestions About Airport*

**Thank you for your cooperation!**

***Thank you for your cooperation!***

# PAYSON MUNICIPAL AIRPORT BASED AIRCRAFT SURVEY

**Dear Aircraft Owner:**

*As part of the master plan we are preparing an Economic Benefit Study for Payson Municipal Airport. In order to compile meaningful economic data about the airport, your cooperation is very much needed. This survey of based aircraft owners will be handled with the **strictest confidentiality** and only aggregate numbers will be used in publishing the data. If you have questions about the survey, please call Richard Underkofler, Town Manager, Payson Town Hall, at 474 - 5242. **Please return the survey form in the enclosed envelope within ten days.***

1. How many aircraft do you have based at Payson Municipal Airport? \_\_\_\_\_

2. Please estimate the market value of your aircraft. \_\_\_\_\_

3. Please estimate your annual outlays for fuel, maintenance, insurance, storage and other expenses associated with your aircraft. \_\_\_\_\_

4. Please estimate the annual number of (non- training) trips in your aircraft.

Business \_\_\_\_\_ Personal \_\_\_\_\_

5. Please estimate average ROUND TRIP MILEAGE for a typical (non-training) trip.

Business \_\_\_\_\_ Personal \_\_\_\_\_

6. What was the average number of persons on a typical trip?

Business \_\_\_\_\_ Personal \_\_\_\_\_

7. Considering the location of your personal residence, how important is the airport as a factor determining where you have decided to live?

Very Important \_\_\_\_ Important \_\_\_\_ Slightly Important \_\_\_\_ Not Important \_\_\_\_

8. Considering your business or employment, how important is the airport as a factor determining the location, operation and success of this business?

Very Important \_\_\_\_ Important \_\_\_\_ Slightly Important \_\_\_\_ Not Important \_\_\_\_

9. If the airport is important to your business or employment, please provide the information below:

Number of Employees at Your Business \_\_\_\_\_ Annual Sales \_\_\_\_\_

***Please Use Other Side For Comments or Suggestions About Airport***

***Thank you for your cooperation!***